

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

**LOK SABHA**

**UNSTARRED QUESTION NO.1306**

TO BE ANSWERED ON MONDAY THE 25<sup>TH</sup> NOVEMBER, 2019/Agrahayana 4, 1941  
(Saka)

“TAX EXEMPTION TO CORPORATES”

**1306. SHRI N.K.PREMACHANDRAN :**

Will the Minister of FINANCE be pleased to state:

- a) the details of tax exemption given by the Government to corporate during the last five years;
- b) whether the Government proposes to give more exemption to the corporates and if so, the details thereof and reason therefore;
- c) whether it has come to the notice of the Government that the corporates are making huge profit from Indian markets;
- d) if so, the details of the action taken by the Government to ensure the strengthening of Indian Economy through the activities of the corporates;
- e) the details of the benefits/exemptions given by the Government to each corporate in doing business in India;
- f) whether the exemption given by the Government to corporates is helpful to the growth of Indian Economy and if so, the details thereof; and
- g) the details of the approximate amount given by the Government to each corporates through various exemption and schemes?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE**  
**(SHRI ANURAG SINGH THAKUR)**

(a) The details of revenue foregone due to deduction/exemptions under the Income-tax Act availed by Corporates from FY 2014-15 to FY 2018-19 is given in the following table:

Financial Year	Revenue Forgone (in Rs. crores)
2014-15	65,067.21
2015-16	76,857.70
2016-17	86,144.82
2017-18	93,642.50
2018-19*	108,785.41

\*Total Revenue Foregone for FY 2018-19 is projected revenue foregone as provided in the receipt budget for FY 2019-20.

The above figures are as per the Receipt budget statements available in the budget documents for respective years.

(b) There is no such proposal.

(c) NIL

(d) NIL

(e) & (g) There are various sections under the Income-tax Act, 1961 which provide benefits/exemptions to corporates. The amount of revenue forgone on account of various exemptions provided to corporates for FY 2018-19 is given as under

<b>Nature of incentive to Corporates</b>	<b>FY 2018-19 (Projected) (₹ in crore)</b>
Accelerated Depreciation	67,758.18
Deduction for units located in SEZs	24,300.22
Deduction for undertakings in the power sector	15,478.23
Deduction/weighted deduction for scientific research	7,936.82
Deduction for development of infrastructure facilities	7,948.38
Deduction for undertakings set-up in Sikkim	2,696.26
Deduction for undertakings set-up in Uttarakhand	2,089.14
Deduction for undertakings set-up in North Eastern States	1,384.28
Deduction for production of mineral oil and natural gas	1,275.60
Investment-linked deduction for specified business	2,068.66
Deduction for developers of SEZs	1,815.44
Deduction for donations to charitable entities	2,160.90
Other Deductions	2,574.01
Total	1,39,486.12
Less: Collection through MAT	30,700.70
<b>Total Revenue Foregone</b>	<b>1,08,785.41</b>

f) The exemptions provide by the Government to corporates are intended to have a multiplier effect in the economy. The exemptions/deductions are expected to attract fresh investment in manufacturing, production, trading and service providing companies which are expected to not only result in new job creation but also lead to increased incomes.”

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